

REPLY TO:

- ☐ 135 HART SENATE OFFICE BUILDING
WASHINGTON, DC 20510-1501
(202) 224-3744
TTY: (202) 224-4479
- ☐ 721 FEDERAL BUILDING
210 WALNUT STREET
DES MOINES, IA 50309-2140
(515) 284-4890
- ☐ 206 FEDERAL BUILDING
101 1ST STREET SE.
CEDAR RAPIDS, IA 52401-1227
(319) 363-6832

EX PARTE OR LATE FILED

United States Senate

CHARLES E. GRASSLEY

WASHINGTON, DC 20510-1501

August 9, 1994

DOCKET FILE COPY ORIGINAL

REPLY TO:

- ☐ 103 FEDERAL COURTHOUSE BUILDING
320 6TH STREET
SIOUX CITY, IA 51101-1244
(712) 233-1860
- ☐ 210 WATERLOO BUILDING
531 COMMERCIAL STREET
WATERLOO, IA 50701-5497
(319) 232-6657
- ☐ 116 FEDERAL BUILDING
131 E. 4TH STREET
DAVENPORT, IA 52801-1513
(319) 322-4331
- ☐ 307 FEDERAL BUILDING
8 SOUTH 6TH STREET
COUNCIL BLUFFS, IA 51501
(712) 322-7103

Lauren Belvin
Director, Legislative Affairs
Federal Communications Commission
1919 M Street, N.W., Room 857
Washington, D.C. 20554

Dear Lauren:

I have recently been contacted by a number of constituents who are concerned about the implementation of Section 19 of the Cable Act which would provide exclusive agreements. Enclosed please find a copy of one of these letters.

I would appreciate any assistance you could provide pertaining to this matter. Please mark your return correspondence to the attention of Dawn Latham when responding to my office.

Thank you for your attention to my request.

Sincerely,

Chuck

Charles E. Grassley
United States Senator

CEG/dl
Enclosure

RECEIVED

OCT 19 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

No. of Copies rec'd 2
List A B C D E

Committee Assignments:

FINANCE
AGRICULTURE, NUTRITION, AND FORESTRY

JUDICIARY
OFFICE OF TECHNOLOGY ASSESSMENT

BUDGET
SPECIAL COMMITTEE ON AGING

July 20, 1991

The Honorable Charles Grassley
135 Hart Senate Office Building
Washington, D.C. 20510-1501

Dear Charles:

I am writing this letter regarding the implementation and enforcement of Section 19 of the 1992 Cable Act by the Federal Communications Commission.

Our cooperative is a distributor of DBS satellite television programming. For our cooperative to be competitive in our local marketplace we need equal access to cable and broadcast programming at fair rates - something which we are not currently receiving.

Attached you will find a letter to FCC Chairman Reed Hundt stating our concerns on this issue.

Our cooperative was under the impression that Congress guaranteed equal access to cable and broadcast programming for all distributors with the passage of the 1992 Cable Act. Unfortunately, we see satellite distributors and consumers continuing to be treated unfairly by the cable industry. We are still seeing programmers charging unfairly high rates for satellite distributors compared with cable rates. Some programmers like Time Warner & Viacom have simply refused to sell programming to some distributors. Our rural consumers seem to be the ones hurt by these actions.

Our cooperative would appreciate your assistance on behalf of rural consumers in Iowa encouraging the FCC to correct this inequity.

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW, Rm. 814
Washington, DC 20554

RE: Cable Competition Report CS Docket No. 94-48

Dear Chairman Hundt:

I am writing this letter in support of the Comments of the National Rural Telecommunications Cooperative (NRTC) regarding Implementation of Section 19 of the Cable Television Consumer Protection & Competition in the Market for Delivery of Video Programming, CS Docket No. 94-48.

As a distributor of the DIRECTVTM direct broadcast satellite (DBS) television service our cooperative is involved in the distribution of satellite television to our rural consumers. Our cooperative's ability to compete in the local marketplace is disabled by our lack of access to programming owned by Time Warner & Viacom despite the passage of the 1992 Cable Act. Programming such as HBO, Showtime, Cinemax, The Movie Channel MTV, Nickelodeon and others are available only to our competitor, the United States Satellite Broadcasting Co. (USSB), due to a contract signed between USSB and Time Warner/Viacom. Please be aware that the programming distribution contracts by DIRECTVTM are exclusive in nature, and USSB has obtained rights to distribute on any of the channels available.

Mr. Hundt, our cooperative agrees with NRTC that these exclusive programming contracts hinder the intent of the 1992 Cable Act. Our cooperative believes that the Act prohibits any arrangement that prevents any distribution from gaining access to programming to serve non-cabled rural areas. Currently our DIRECTV customer who wishes to subscribe to a Time Warner/Viacom product has to purchase a second subscription to the USSB service. This hinders effective competition and our consumer pays a higher price for Time Warner/Viacom channels. This has also created confusion at the retail level.

At this point in time not having access to Time Warner/Viacom services has affected our ability to compete against other sources for television in our area. Many of our customers wonder why they can't purchase HBO and Showtime from us, or many customers passing up rural TV due to the fact that HBO/Showtime are not available.



The Honorable Reed Hundt
Page 2

We strongly believe that the 1992 Cable Act prohibits any exclusive arrangements that prevent any distributor from gaining access to cable programming to serve rural non-cabled areas. Therefore, we support the Tauzin Amendment, embodied in Section 19 of the Act.

We hope the FCC will correct these problems so that the effective competition requirements of Section 19 become a reality in rural America. Please banish the type of arrangements represented by the USSB/Time Warner, Viacom deal.

FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

SEP 30 1994

IN REPLY REFER TO:
CN 9404386

The Honorable Charles Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510-1501

Dear Senator Grassley:

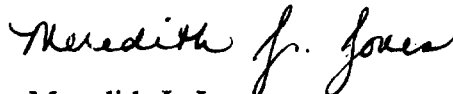
This is in response to your inquiry on behalf of several constituents who are concerned that DirecTV, operator of a direct broadcast satellite (DBS) facility, cannot obtain rights to Time Warner and Viacom programming, because such programming is subject to exclusive distribution rights of another DBS distributor, United States Satellite Broadcasting, Inc.

Your constituents also express their support for the position of the National Rural Telecommunications Cooperative (NRTC) concerning the Federal Communications Commission's interpretation of Section 19 of the Cable Television Consumer Protection and Competition Act of 1992. NRTC has requested that the Commission reexamine the legality of exclusive contracts between vertically integrated cable programmers and DBS providers in areas unserved by cable operators. NRTC has asked that the Commission determine that such contracts are prohibited.

NRTC's petition for reconsideration of the Commission's program access rulemaking proceeding is currently pending. As such, any discussion by Commission personnel concerning this issue outside the context of the rulemaking would be inappropriate. However, you may be assured that the Commission will take into account each of the arguments raised by NRTC and the other parties to the rulemaking concerning this issue to arrive at a reasoned decision on reconsideration.

I trust this information is responsive to your inquiry.

Sincerely,



Meredith J. Jones
Chief, Cable Services Bureau